



U.S. Small Business
Administration



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Small Business Administration

(Who we are and What we do)

S. Brent Owens/Procurement Center
Representative

s.owens.1@us.af.mil

(801) 775-4141

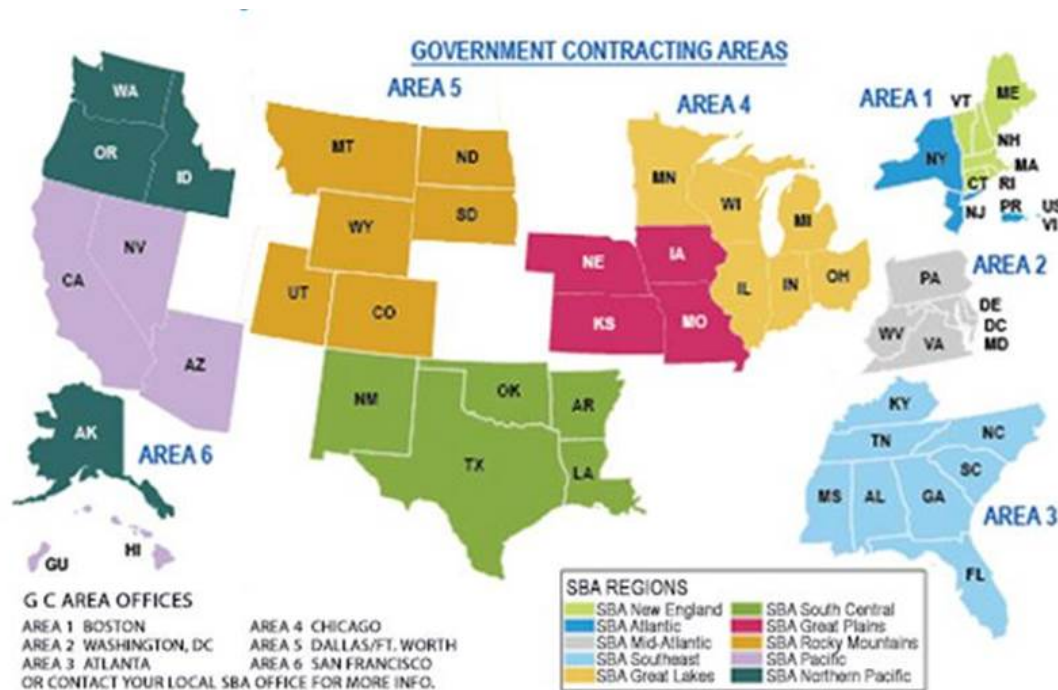
Overview

- Small Business Administration
- Small Business Prime Contractor Assistance:
 - Small Business Goals
 - Set-Asides
 - Procurement Center Representatives (PCR)
 - Certificate of Competency (COC) Program
 - Size Program
- Small Business Subcontractor Assistance
 - Small Business Goals
 - Subcontracting Plans
 - Commercial Marketing Representatives (CMR)
 - Compliance Reviews

About the SBA

- Independent agency of the federal government
- Aid, counsel, assist, protect interests of small businesses
- Strengthen the overall economy of our of nation
- Help start and grow businesses
- Technical assistance
- Financial assistance
- Disaster recovery assistance
- *Government Contracting assistance*
- *SBA District Offices*
- *SBA Government Contracting Offices*

SBA Government Contracting Areas Office of Government Contracting



Area 1 | Area 2 | Area 3 | Area 4 | Area 5 | Area 6
Area Directors

Basis for SBA Programs

- Small Business Act
 - Implements Congressional Policy to aid, counsel, assist & protect the interests of small business concerns
 - Goal of policy is to ensure that a fair proportion of purchases, contracts & subcontracts be placed with small businesses

“It is the policy of the Government to provide maximum practicable opportunities in its acquisition to small business at the prime and subcontract level...”

FAR 19.201(a)

Prime Contractor Assistance

SBA Assistance

Small Business Contracting Goals

Small Business Set-Asides & Direct Awards

Procurement Center Representatives

Certificate of Competency Program

Size Protests/Size Determinations

SBA Assistance: Federal-Wide Statutory Goals

Type of Small Business	Goal
Small Business (SB)	23%
Small Disadvantaged (SDB)	5%
Women Owned (WOSB)	5%
HUBZone (HBZSB)	3%
Service Disabled Veteran (SDVOSB)	3%

SBA Assistance: Agency/Department Goals

Agency	SB	SDB	SDV	WO	HBZ
Hill AFB/AFSC	48%	21%	3%	16%	1%
Hill AFB/NWC	2%	1%	0%	1%	0%
Army-Dugway	54%	21%	17%	24%	2%
Bureau of Reclamation	54%	5%	3%	5%	3%
Utah National Guard	70%	20%	9%	14%	6%

SBA Assistance: Small Business Set-Asides

- Federal procurements restricted to participation by only small businesses (determined by size standard identified in solicitation)
- Types of Set-Asides:
 - General Small Business (SB) (all types)
 - HUBZone SB
 - 8(a) SB
 - Service Disabled Veteran Owned SB
 - WOSB or EDWOSB

“The Rule of Two”

\$10,000-\$250,000: “Automatically reserved exclusively for small business...”

Over \$250,000: Shall be set aside for small business when there is a **reasonable** expectation that:
“(1) offers will be obtained from at least two **responsible** small business concerns...”
“(2) award will be made at fair market prices...”

FAR 19.502-2

“Responsible”

- Adequate financial resources*
- Comply with delivery schedule
- Satisfactory past performance
- Integrity
- Technical skills and experience*
- Necessary equipment*
- Comply with Limitation on Subcontracting

*(or the ability to obtain)

Limitations on Subcontracting

Limitations on the amounts that the Prime Contractor can pay to subcontractors that are not “Similarly Situated Entities”

**Material costs are excluded and not considered to be subcontracted*

SERVICES: 50%	SUPPLIES: 50%
GENERAL CONSTRUCTION: 85%	SPECIAL TRADE CONSTRUCTION: 75%

Small Business Set-Asides

How does the government determine which type of set-aside should be used?

- General Small Business (SB) (all types)?
- HUBZone SB?
- 8(a) SB?
- Service Disabled Veteran Owned SB?
- WOSB or EDWOSB?

Regulation? Rotation? Preference? Other?

Small Business Set-Asides

Which Set-Aside should be used?

The Contracting Officer has discretion*

- Previous procurement history
 - Results of market research
 - Rule of Two
 - Agency small business goals/achievements
-
- *Socio-economic set-asides must be considered first!*
 - *Additionally, sole source opportunities for socio-economic categories must be considered before a general small business set-aside*

**Can be appealed by the SBA/PCR or protested by interested parties*

Set-Aside Considerations

Over \$250,000 ?



1st Consideration: Set-aside for 8(a), HZ, SDVOSBC or WOSB

Rule of 2 met?

Fair & Reasonable Price?

No 8(a) performing?



2nd Consideration: Sole Source to 8(a), HZ, SDVO SBC or WOSB

Responsible?

Contract Value?

Fair & Reasonable?

No 8(a) performing?



3rd Consideration: Small Business Set-Aside (all types of SBs)

Rule of 2 met?

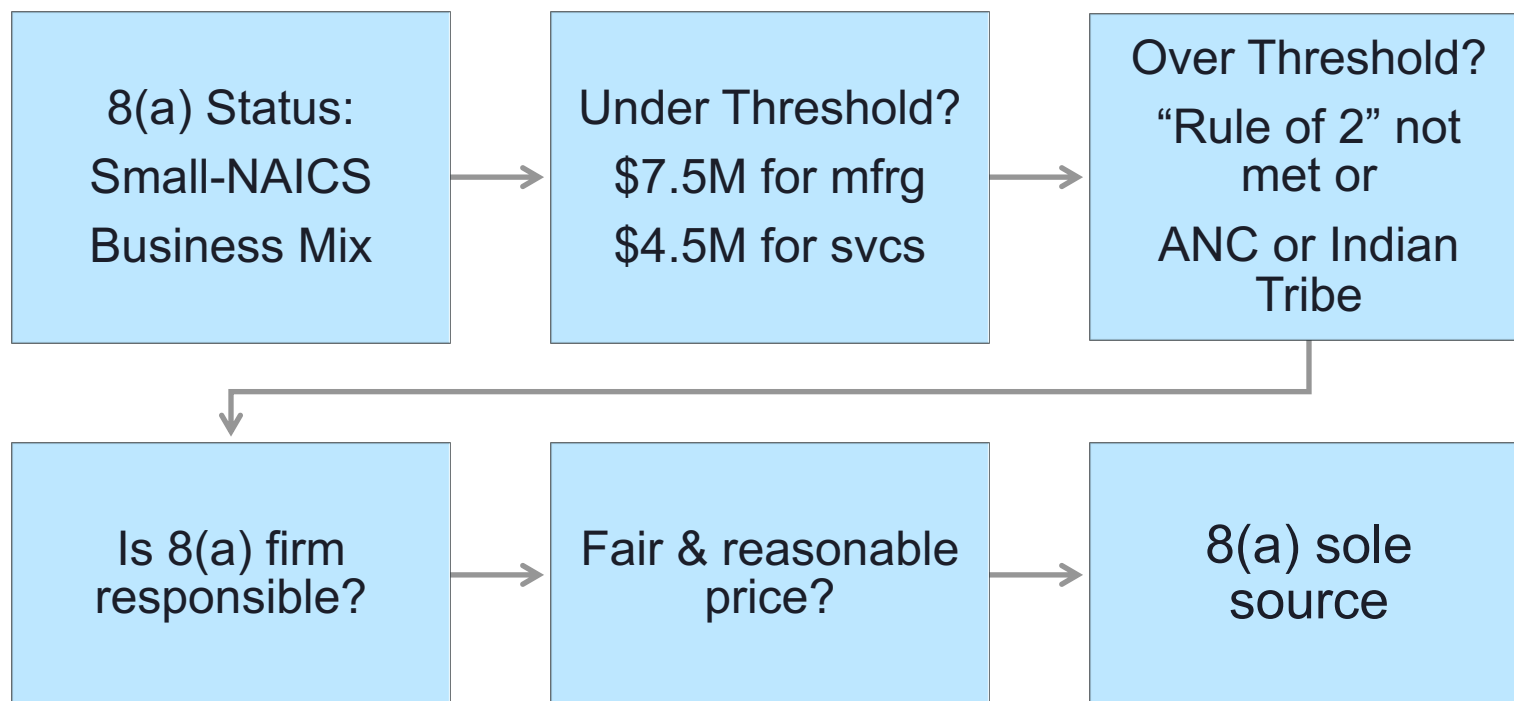
Fair & Reasonable Price?

No 8(a) performing?



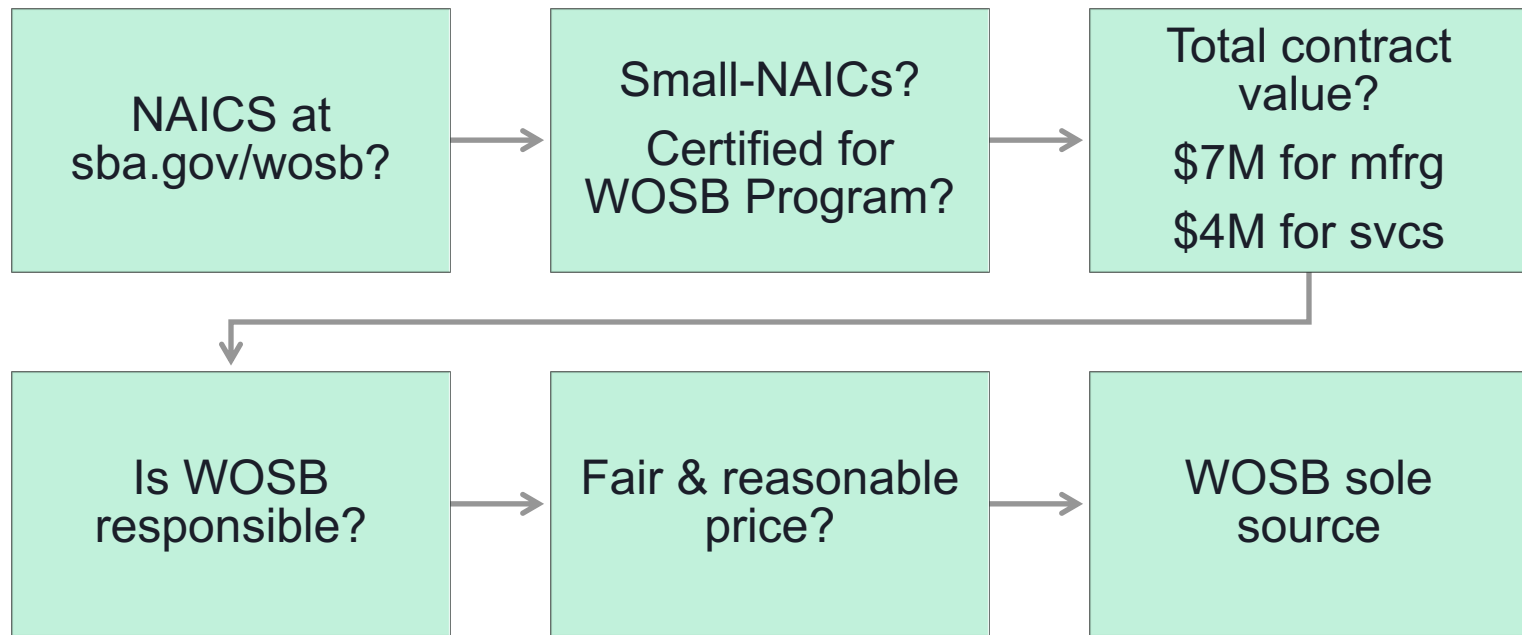
Last Consideration: Unrestricted (full and open)

8(a) Sole Source (Direct Source)



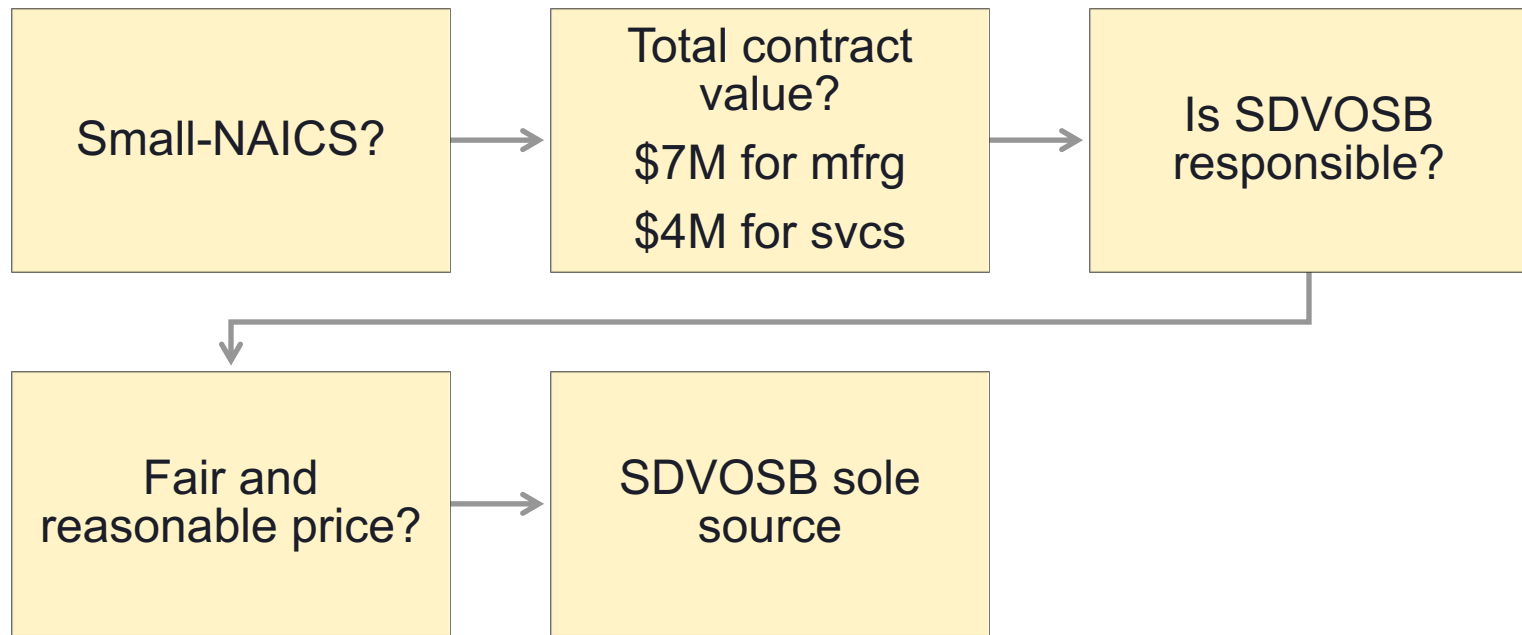
8(a) IS a business development program. As such, there is statutory authority to make a direct award. A Justification and Approval (J&A) is only required over \$25M (\$100M for DoD) FAR 6.302-5(c)(2).

WOSB or EDWOSB Sole Source



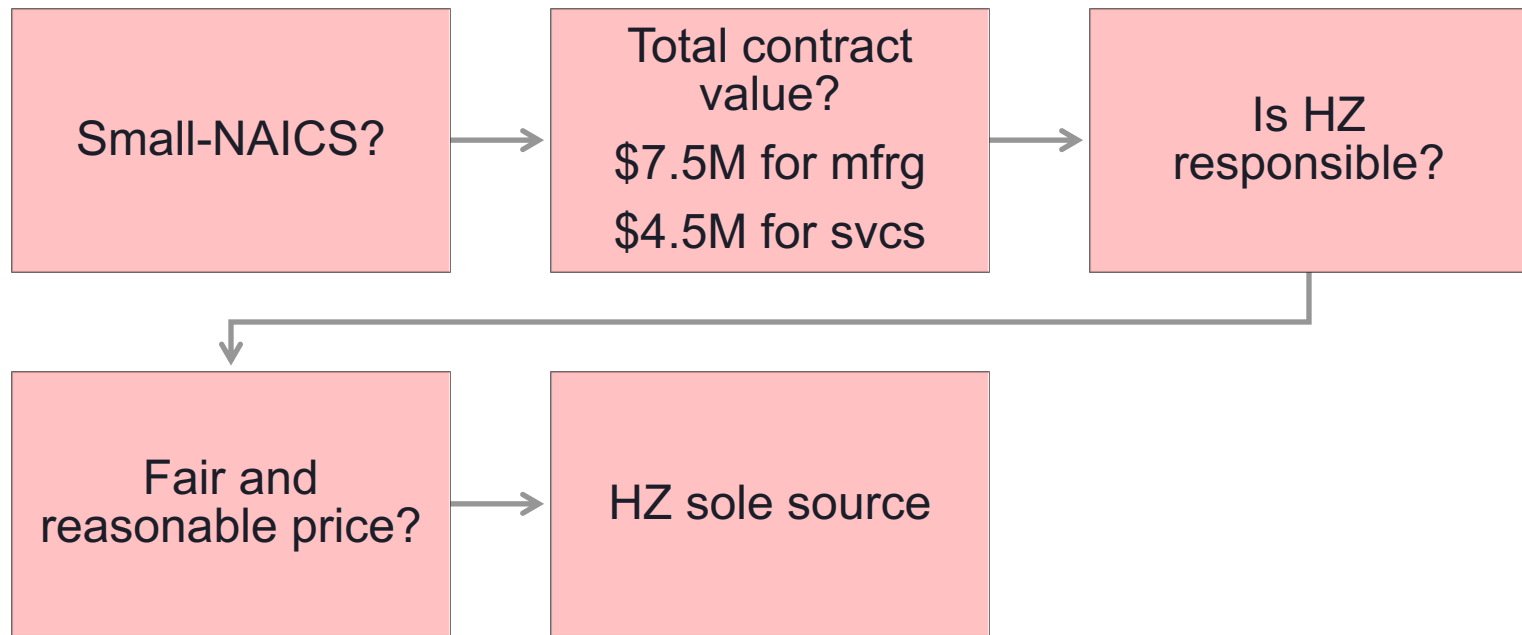
WOSB Program is NOT a business development program. As such, there is no statutory authority to make a direct award. Agencies are required to prepare and approve a J&A. FAR 6.302-5(c)(2).

SDVOSB Sole Source



SDVOSB Program is NOT a business development program. As such, there is no statutory authority to make a direct award. Agencies are required to prepare and approve a J&A. FAR 6.302-5(c)(2).

HUBZone Sole Source



HUBZone Program is NOT a business development program. As such, there is no statutory authority to make a direct award. Agencies are required to prepare and approve a J&A. FAR 6.302-5(c)(2).

Set-Aside Considerations

Over \$250,000 ?



1st Consideration: Set-aside for 8(a), HZ, SDVOSBC or WOSB

Rule of 2 met?

Fair & Reasonable Price?

No 8(a) performing?



2nd Consideration: Sole Source to 8(a), HZ, SDVO SBC or WOSB

Responsible?

Contract Value?

Fair & Reasonable?

No 8(a) performing?



3rd Consideration: Small Business Set-Aside (all types of SBs)

Rule of 2 met?

Fair & Reasonable Price?

No 8(a) performing?



Last Consideration: Unrestricted (full and open)

Joint Ventures (JV)

Program Type	Set-Asides	Sole Source
SB	X	X
8(a)	X	X
WOSB	X	X
SDVOSB	X	X
HZ	X	X

Each small business program type may enter into a JV with one or more other small business concerns or with an SBA approved mentor for purposes of submitting an offer for the program type contract. (The JV itself need not be certified as the program type)

The JV must qualify as a small business

Contents of the JV agreement are specific to each type of program

How can SBs Influence the type of set-aside?

Market Research is the key!

Suggestions:

- Update SAM and DSBS databases
 - Include all appropriate NAICS codes
 - Full description of services/supplies (key words)
- Descriptive Web-site
- Respond appropriately to SSS and RFIs
 - Identify socio-economic status
 - Emphasis on interest in competition or sole source
 - Explain “responsibility” or ***ability to obtain...***
 - Identify other small business competitors!?
 - Consider the SBA Mentor-Protégé Program and JVs
 - Courtesy copy the SBA/PCR and the Agency Small Business Specialist

SBA Assistance: Procurement Center Representative (PCR)

- Advocate on behalf of SBs to assure they receive fair share of contracts
- Work closely with contracting officers in determining the appropriate type of acquisition (type of set-aside, sole source or unrestricted) and to remove impediments to participation by small business
- Review market research and determinations of the Contracting Officer
- Invoke appeal rights if needed! *Statutory Authority*
- Perform SBA Surveillance Reviews of Contracting Activities
- Counsel and train Small Businesses and Federal agencies
- Locate your PCR: <https://www.sba.gov/federal-contracting/counseling-help/procurement-center-representative-directory>

SBA Assistance: Certificate of Competency Program (COC)

Prior to award the Contracting Officer must make a “determination of responsibility” for the small business in line for an award

SBA's COC Program:

- Provides small business determined to be “non-responsible” for a specific contract, an opportunity to “appeal” those findings
- A Contracting Officer's referral can be for capability, capacity, credit, integrity, tenacity or perseverance or combination
- Contract is withheld while the SBA investigates (15 days)
- If SBA issues the COC, the firm must be awarded the contract
- SBA monitors the COC firm's performance

SBA Assistance: Size Program

Prior to award of a contract, the size status of the apparent awardee can be challenged by an interested party, the Contracting Officer or the SBA

SBA's Size Program protects the integrity of the set-aside:

- Size standards define whether a business entity is small and eligible for programs & preferences reserved for SBs
- Size is determined on either a firm's average annual receipts or number of employees (including all affiliates)
- Size standard is specific to the NAICS code stated for the procurement. Size status is protestable
- SBA has 15 business days to adjudicate a protest. Decision is 'final' unless any subsequent appeal is overturned by OHA

Subcontractor Assistance

SBA Assistance

Small Business Subcontracting Goals

Subcontracting Plans

Commercial Marketing Representatives (CMR)

SBA Assistance: Federal-Wide Statutory Subcontract Goals

Type of Small Business	Goal
Small Business (SB)	N/A
Small Disadvantaged (SDB)	5%
Women Owned (WOSB)	5%
HUBZone (HBZSB)	3%
Service Disabled Veteran (SDVOSB)	3%

SBA Assistance: Subcontracting Plans

- Required for contracts not set-aside for small business:
 - \$1.5 million for construction contracts
 - \$750 thousand for all other contracts
- Reviewed/Approved by the Contracting Officer
- SBA reviews and provides recommendations
- Plan is incorporated into the awarded contract
- Performance monitored by the Contracting Officer and the SBA
- Consequences for not meeting goals:
 - Liquidated Damages
 - Performance Reviews
 - Future contracts

SBA Assistance: Commercial Market Representatives (CMR)

SBA's Commercial Market (CMR):

- Ensure the Large Business (LB) prime contractors provide maximum, practicable subcontracting opportunities for SBs
- Review and monitor LB prime's subcontracting program:
 - Challenge "good faith efforts" as stated in subcontracting plan
 - Advise the Contracting Officer
- Assist LB primes to identify SB sources for new and existing subcontracting activities
- Counsel and advise SBs on how to market LB primes
- Locate your CMR: www.sba.gov/document/support--commercial-market-representatives
(Region 8 CMR is: Sophia Chou/shufang.chou@sba.gov)

Regulations

19.203	Parity among small business programs
19.502	Small Business Set-Asides
19.805-1	8(a) Set-Asides/Sole Source
19.1505/1506	WOSB Set-Asides/Sole Source
19.1405/1406	SDVOSB Set-Asides/Sole Source
19.1305/1306	HubZone Set-Asides/Sole Source
13 CFR 125.8	Small Business Joint Ventures
13 CFR 124.513	8(a) Joint Ventures
13 CFR 127.506	WOSB Joint Ventures
13 CFR 125.18(b)	SDVOSB Joint Ventures
13 CFR 126.616	HUBzone Joint Ventures
19.402	Procurement Center Representatives
19.6	Certificate of Competency Program
19.302	Size Protests
19.7	Subcontracting Plans

Contact Information

S. Brent Owens

Procurement Center Representative (PCR)

(Utah, Wyoming, Montana)

U.S. Small Business Administration

Government Contracting, Area V

(801) 775-4141

(801) 520-0026

s.owens.1@us.af.mil

brent.owens@sba.gov